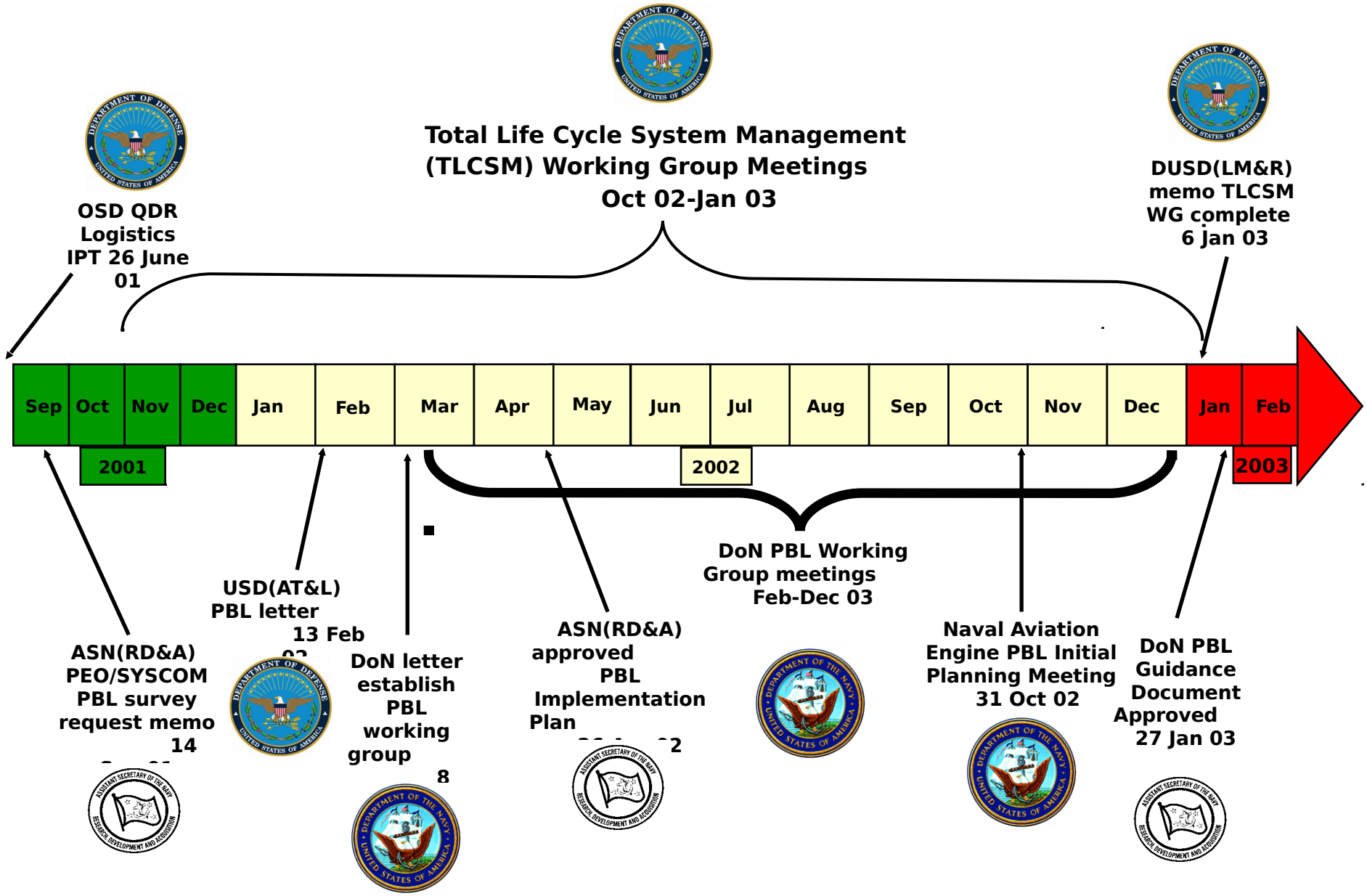
Business Case Analysis (BCA) Workshop

DAU
20 Feb 03
Michael Skratulia
DASN(L) Support

PBL Implementation Time Line



DoN PBL Working Group

Members of the working group (33 total members)

- **CNO**
  - N4, N7, N8
- **ASN(RD&A)**
  - NAVSEA, NAVAIR, NAVSUP, SPAWAR, DASN(ACQ), HQMC, MARCOR, NAVICP
- **NCCA**

Department of the Navy Performance Based Logistics (PBL) Guidance Document

- **Excerpts from the ASN(RD&A) cover letter**
  - " ….Although PBL is the preferred method of providing weapons system logistics support, it is imperative that program managers use **sound business judgment (i.e., Business Case Analysis)** when selecting between alternative logistics support strategies."…

DoN PBL Guidance Document

- **Section 11**

  <u>Business Case Analysis (BCA):</u>

  - BCA is a decision support tool
  - Helps with determining appropriate support concept
  - Useful to compare the estimated vs. actual
  - Not suitable for programmatic reviews but should be updated when changes occur
  - BCA becomes a permanent record in supportability files

DoN PBL Guidance Document

- **Attachment B**
  Guidelines to Developing Naval Performance Based Logistics (PBL) Business Case Analysis (BCA)
  - **Provides numerous links to references**
    - Discount rate, labor rate costs (military & civilian), & indices
    - NAVAIR's "Maintenance Trade Cost Guidebook"
    - NAVICP PBL BCA Fact sheet

DoN PBL Guidance Document

- **NCCA responsible for validity of each SYSCOM's BCA process**
- **PM responsible for generating BCA**
- **PM can task individual SYSCOM Cost Department to assist with the BCA**

Future Vision

- **PBL process will be reviewed as part of the Integrated Logistics Assessment (ILA) prior to Milestone Decisions**
  - BCAs for PBL is inherent in this process